

Investment Planning

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| Career Cluster | Finance |
| Course Code | 12107 |
| Prerequisite(s) | None |
| Credit | 0.5 |
| Program of Study and Sequence | Cluster Courses – Introduction to Financial Services – Investment Planning – Risk Management and Insurance – Advanced Cluster Courses – Capstone Experience |
| Student Organization | FBLA, DECA |
| Coordinating Work-Based Learning | None |
| Industry Certifications | None |
| Dual Credit or Dual Enrollment | None |
| Teacher Certification | Business Management & Administration Cluster Endorsement; Finance Cluster Endorsement; Insurance, Securities & Investments Pathway Endorsement; *Business Education |
| Resources | |

Course Description:

This course defines and analyzes the investment goals of a client, investment tools used, and investment recommendations prescribed to develop a client investment portfolio. Students will gain an understanding of the concepts of investment regulation, client assessment, investment theory, financial markets, strategies, and modern portfolio theory.

Program of Study Application

Investment Planning is a second pathway course in the Finance cluster, Financial Services and Planning pathway. The course would be preceded by Introduction to Financial Services or Banking Services. Completion of Investment Planning would prepare a student to participate in an advanced cluster course or capstone experience.

Course Standards**INV 1: Describe laws and regulations to manage transactions in the securities and investments industry.**

| <i>Webb Level</i> | <i>Sub-indicator</i> | <i>Integrated Content</i> |
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| Level 2: Skill/Concept | INV 1.1 Explain regulations and ethical practices of the securities and investments industry. Examples: <ul style="list-style-type: none"> • Discuss legal and ethical considerations in buying and selling securities. • Discuss state regulation of the securities and investments industry. • Explain the role of the National Association of Securities Dealers (NASD) in the regulation of securities and investments. • Explain the regulation of extensions of credit in the securities industry. • Describe the nature of the Securities Investor Protection Corporation. • Discuss taxation issues that impact securities and investments. • Describe the nature of the Chartered Financial Analysts (CFA) Institute Code of Ethics and Professional Conduct. | http://www.secc.gov |
| Level 2: Skill/Concept | INV 1.2 Describe fundamental concepts of real estate law. Examples: <ul style="list-style-type: none"> • Explain state licensure laws for the real estate industry. • Discuss laws pertaining to the conveyance of real estate. • Discuss the impact of local zoning regulations on the real estate industry. • Discuss the nature of a real estate sales contract. | https://dlr.sd.gov/bdcomm/realestate/publications/license_law_book_real_estate.pdf |
| Level 2: Skill/Concept | INV 1.3 Explain the nature and scope of real estate titling. Examples: <ul style="list-style-type: none"> • Discuss methods of transferring real estate titles. • Discuss reasons for title work. • Explain the nature of title insurance. • Discuss types of real estate property titling (e.g., sole ownership, joint tenancy with right of survivorship, tenancy in common, etc.). | http://cfed.org/assets/pdfs/mh_realproperty.pdf |

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INV 2: Manage the use of financial resources to perform key duties in the securities and investments industry.

| <i>Webb Level</i> | <i>Sub-indicator</i> | <i>Integrated Content</i> |
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| Level 2: Skill/Concept | INV 2.1 Describe investment analysis and selection processes. Examples: <ul style="list-style-type: none"> • Discuss types of investment objectives. • Discuss the nature of investment risk. • Describe the nature of diversification strategies. • Explain factors to consider when selecting investments. • Explain information that can be obtained from financial statements. • Describe information that can be obtained from annual reports. • Explain the nature of a mutual fund prospectus. • Explain fundamental analysis used in making investment decisions. • Describe the nature of technical analysis. • Explain strategies for selecting investments. • Discuss performance measurements for venture capital. • Explain Modern Portfolio Theory (MPT). • Discuss the Capital Asset Pricing Model (CAPM). • Explain the Arbitrage Pricing Theory (APT). | https://www.sec.gov/investor/pubs/tenthingstoconsider.htm |
| Level 4: Extended Thinking | INV 2.2 Select investments for clients. Examples: <ul style="list-style-type: none"> • Interpret financial ratios significant to investors. • Calculate stock-related values (e.g., the value of a constant growth stock, the expected value of future dividends, the expected rate of return, etc.). • Calculate bond-related values (e.g., the price of a bond given its yield to maturity, the coupon interest payment for a bond, the effects of interest rates on the price of a bond, etc.). • Assess securities' fundamentals. • Choose investments based on fundamental analysis. | https://www.sec.gov/about/offices/ocie/adviser-due-diligence-alternative-investments.pdf |

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| Level 3: Strategic Thinking | INV 2.3 Appraise assets to determine their value. Examples: <ul style="list-style-type: none"> • Define fair market value of assets. • Conduct a real estate appraisal. • Prepare a real estate appraisal report. • Appraise an investment property. | http://www.appraisalinstitute.org/assets/1/7/GoingConcern Presentation 8 17 2011.pdf |
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Notes**INV 3: Plan, monitor and manage day-to-day securities and investments operations.**

| <i>Webb Level</i> | <i>Sub-indicator</i> | <i>Integrated Content</i> |
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| Level 4: Extended Thinking | INV 3.1 Implement securities and investments operations activities. Examples: <ul style="list-style-type: none"> • Discuss the functions of operations departments in securities and investments. • Perform the buy/sell functions of a brokerage clerk. • Post transaction data to accounting ledgers and certificate records. • Schedule the delivery of customers' securities. • Calculate commissions. | Simulations (e.g. Stock Market Game) |

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INV 4: Utilize career-planning concepts, tools and strategies to explore, obtain and/or develop in a securities and investments career.

| <i>Webb Level</i> | <i>Sub-indicator</i> | <i>Integrated Content</i> |
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| Level 2: Skill/Concept | INV 4.1 Describe careers in securities, investments, and real estate. Examples: <ul style="list-style-type: none"> • Describe the roles and responsibilities of individuals in the securities and investments industry. • Explain the roles and responsibilities of real estate sales agents. • Describe the roles and responsibilities of real estate appraisers. • Discuss the roles and responsibilities of title company personnel. • Explain the roles and responsibilities of real estate entrepreneurs. • Discuss the roles and responsibilities of property managers. | http://www.bls.gov/ooh/sales/securities-commodities-and-financial-services-sales-agents.htm#tab-3 http://www.realtor.org/REALTORorg.nsf/pages/careers |
| Level 2: Skill/Concept | INV 4.2 Explore securities and investments licensing and certification programs. Examples: <ul style="list-style-type: none"> • Describe the Series 6 and Series 7 licensing exams required to sell securities and other financial products. • Explain professional designations in the securities and investments industry (e.g., CFS - Certified Fund Specialist, CFA - Charter Financial Analyst, CFP - Certified Financial Planner, etc.). | http://www.financialplannerworld.com/finra-exams/ |
| Level 2: Skill/Concept | INV 4.3 Describe securities and investments services. Examples: <ul style="list-style-type: none"> • Discuss considerations in selecting a securities sales agent. • Describe types of securities and investment firms. • Describe how securities are traded. • Explain the principal factors that affect securities markets. • Explain causes of stock price fluctuations. • Discuss the relationship between bond prices and yields. • Discuss the role of investment banking in the primary marketplace. • Discuss the nature of margin accounts. • Explain the nature of short sales. • Discuss the nature of market timing. • Discuss the nature of international investment strategies. | http://www.bls.gov/ooh/sales/securities-commodities-and-financial-services-sales-agents.htm#tab-3 |

INV 5: Determine client needs and wants to guide purchase decisions and enhance future securities and investments opportunities.

| <i>Webb Level</i> | <i>Sub-indicator</i> | <i>Integrated Content</i> |
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| Level 2: Skill/Concept | INV 5.1 Explain securities and investments products and their benefits. Examples: <ul style="list-style-type: none"> • Explain the nature of stocks. • Describe the rights of stockholders. • Explain the nature of dividends. • Discuss the nature of stock splits. • Discuss the nature of options strategies. • Discuss the nature of hedge funds. • Describe the nature of futures. • Explain the nature of bonds. • Describe the nature of mutual funds. • Explain the rights of mutual fund shareholders. • Explain the nature of venture capital. • Explain the nature of real estate investments. • Discuss the nature of retirement investment plans. • Explain the nature of education savings plans. | https://www.bogleheads.org/wiki/Financial securities |
| Skill Level 4: Extended Thinking | INV 5.2 Complete a securities and investments sale. Examples: <ul style="list-style-type: none"> • Conduct lectures, seminars and forums to attract potential clients. • Schedule appointments with prospective clients and interview clients. • Obtain information on the client's finances and investment goals. • Determine investment strategies for meeting client's investment goals. • Develop an investment recommendation for the client. • Prepare sales presentation materials. • Present investment recommendation to client. • Close the securities/investment sale. • Complete the order ticket according to the client's instructions and enter the order. • Follow up on the completion of the transaction. • Monitor the client's portfolio. | http://accounting.utep.edu/sglondon/c12/c12a.pdf |

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| Level 3: Strategic Thinking | INV 5.3 Demonstrate knowledge of Investment and Savings Plan. Examples: <ul style="list-style-type: none">• Compare the impact of simple interest versus compound interest on savings.• Compare and contrast investment and savings options.• Explain costs and income sources for investments.• Examine the fundamental workings of the Social Security System and the system's effects on retirement planning and investments.• Contrast alternative retirement plans. | https://www.practicalmoneyskills.com/foreducators/lesson_plans/lev_3/L3TeachersGuide12.pdf |
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